

TARA

EXPLORATION AND DEVELOPMENT COMPANY LIMITED



ANNUAL REPORT

THE YEAR OF THE NAVAN DISCOVERY
1970

1970

**ANNUAL
REPORT**

TARA / **EXPLORATION AND DEVELOPMENT COMPANY**
LIMITED



TARA / *EXPLORATION AND DEVELOPMENT COMPANY* LIMITED

DIRECTORS

SYLVESTER P. BOLAND, Dublin, Ireland
CHARLES CARVILL, Newry, Northern Ireland
JAMES HANRATTY, Newry, Northern Ireland
P. J. HUGHES, Dublin, Ireland
MICHAEL McCARTHY, Ballinasloe, Ireland
J. V. McPARLAND, Newry, Northern Ireland
MURROGH V. OBRIEN, Dublin, Ireland

OFFICERS

MICHAEL McCARTHY, President
MURROGH V. OBRIEN, Executive Vice-President and
General Manager
SYLVESTER P. BOLAND, Vice-President
MATTHEW GILROY, Vice-President
J. V. McPARLAND, Secretary-Treasurer

TECHNICAL STAFF

DEREK ROMER, Chief Geologist
BRIAN BYRNE, Geologist in charge of Navan Property
DERMOD DOWNING, Geologist
MICHAEL ROBINSON, Chief Fieldman

TARA MINES LIMITED

WHOLLY OWNED SUBSIDIARY

MICHAEL McCARTHY, Director
MURROGH V. OBRIEN, Director
JOHN TULLY, Secretary

AUDITORS

Thorne, Gunn, Helliwell & Christenson

SOLICITORS

Fasken & Calvin, Toronto, Canada
McCann, FitzGerald, Roche & Dudley,
Dublin, Republic of Ireland

REGISTRAR AND TRANSFER AGENT

National Trust Company Limited
Toronto, Ontario

HEAD OFFICE

Suite 2601 — Royal Trust Tower
Toronto-Dominion Centre
Toronto 111, Ontario, Canada

EXECUTIVE OFFICE

162 Clontarf Road
Dublin 3, Ireland

1970

President's Report to Shareholders



MICHAEL MCCARTHY
President

The Directors are pleased to present the Annual Report of the Company together with the audited financial statements for the year ended December 31, 1970.

The year 1970 marked a major milestone in the history of your Company with the discovery of the zinc-lead orebody at Navan, County Meath, Republic of Ireland. The discovery drill hole at Navan in November of 1970 was a culmination of your Company's more than eight year long detailed search in similar geological settings throughout Ireland and a cumulative expenditure to that date of some \$1.5 million.

Prior to the Navan licence area on which the discovery was made, 165 earlier licence areas, each of approximately 10 square miles, had been prospected by your Company. Diamond drilling covering a total of 148 holes was carried out on 33 of these licence areas. Details of the Company's activities in exploration leading up to and including the Navan discovery during 1970 are summarized in the General Manager's Review.

The Navan zinc-lead find is notable in that it is a brand new discovery in a part of Ireland where there was no previous mining nor any previous recorded indication of valuable mineral.

Since the initial discovery some 80 drill holes have been put down in a systematic pattern and without exception every hole has intersected significant mineralization in which zinc is the dominant metallic mineral with important secondary values in lead.

With the continuing rapid rate of disclosure by drilling of the extent of this orebody, the Directors have necessarily deferred specific production planning until the most economic ore treatment rate and mining

method can be determined. For the same reasons, the Company has not entered into any commitment as to the scale or source of financing relevant to production preparations.

Technical particulars of the Navan deposit are set out in the General Manager's Review accompanying this Report and, of course, further information is forthcoming from the four diamond drills continuously at work on the Navan property.

Some of the salient features of the Navan project can be summarized as follows:

The 80 drill holes completed to date encompass an east-west distance of some 1,200 feet and a north-south distance of similar extent. Within this area the quantity of continuous mineralization with an average content of at least 10% zinc plus lead is estimated at not less than 10 million tons. Additional fill-in drilling within this present grid may well demonstrate considerably greater tonnage.

Drilling to date has not delimited the deposit and it is open for extension, virtually in all directions but notably to the south and west. Drilling will be continued to test these possibilities for extension.

Virtually all the continuous mineralization lies within 500 feet of the surface. Very much of it in fact is in the range of 10 feet to 400 feet depth.

The ratio of zinc to lead is 5:1 throughout the part of the deposit so far drilled. The mineral has on test shown itself as amenable to the conventional flotation process to yield separate lead and zinc concentrates of good quality.

Although your Company is associated with a separate study of the feasibility of zinc smelting in Ireland, the main decisions on the Navan deposit are not dependent on the outcome or implementation of conclusions arrived at by that study by Smelter Corporation of Ireland Limited. Your Company holds 30% of the presently issued shares of Smelter Corporation of Ireland Limited.

Sources of power, services and labour are nearby. The deposit lies under farmlands one mile from the County Town of Navan, fifteen miles from Drogheda on the Coast and thirty miles from the Capital, Dublin.

Good highways connect with both the latter as does the National railroad system. An operating spur of the railroad passes within a few hundred feet of the drilled deposit. Port facilities are available both in Drogheda and Dublin.

Mineral ownership for the whole area so far drilled and for 18 square miles centered on the deposit is vested in the State.

Your Company has applied to the Minister for Industry and Commerce, Dublin, for a State Mining Lease and has received from the Minister a written undertaking under the Minerals Development Act, 1940, that he will grant to your Company a State Mining Lease in respect of certain townlands near Navan. These include the entire townlands of Nevinstown (240 acres) and Knockumber (600 acres), being the two townlands in which all the Navan drilling has hitherto taken place and is continuing.

Your Company has caused to be incorporated a wholly-owned Irish subsidiary, Tara Mines Limited, to hold the State Mining Lease and carry on operations under it at Navan.

Investigations are in the meantime being carried on under two contiguous prospecting licences, 1489 and 1380, covering 27 square miles, issued by the Minister for Industry and Commerce to your Company and authorizing it as licensee to enter the lands and "there do all such things as the licensee considers necessary or desirable for the purpose of ascertaining the character, extent or value of the minerals".

Negotiations for surface ownership are proceeding towards a satisfactory solution of grouped areas in the vicinity of the drilled deposit and the various alternative locations for treatment plant and storage areas. Near Navan, as elsewhere in Ireland, ownership is characteristically divided into a considerable number of areas of different size, often small.

To ensure that economic working of a mine could proceed side by side with the existing activities and amenities of the district, your Company is giving close attention to the latter. At the same time it is in touch with the officials of the Meath County Council and will, as soon as optimum arrangements for all concerned can be foreseen, apply for planning permission from that Council as the authority, in conjunction with the Minister for local government in Dublin, on that matter.

The steps taken toward leasing minerals from the State and acquiring sufficient surface rights for mining parallel those taken successfully by recent Irish mining enterprises. Mining industry has arrived at a position of national importance in Ireland at a time of world-wide public demand that industrial growth should be reconciled with preservation of amenity.

On the basis of current practice in Ireland of planning authorities both local and national, your Company is confident that plans can be agreed that are satisfactory to all concerned.

The Republic of Ireland is a country whose economy is still mainly based on agriculture. However, the expressed view, given under successive governments and by spokesmen of all parties, is that expansion of industry and exports, especially to non-sterling areas, is essential for economic well-being of the country and its citizens.

The specific position of the Mineral Industry in Ireland was re-stated as recently as February 11, 1971, by Mr. Lalor, Minister for Industry and Commerce, speaking in the Dail (the Irish Parliament) where he put on record that:—

"The policy of the Government is not to participate directly in mineral exploration and development but to provide adequate facilities and attractive incentives to induce competent private enterprise concerns to engage in such activities".

Among the adequate facilities referred to is the Minerals Development Act, 1940, which for over 30 years has played the role set by its full title:— "an Act to make further and better provision for the development and working of the mineral resources of the State".

The incentive of taxation relief, introduced in 1956 and extended in 1967, is that an Irish-registered company working a new mine on a non-bedded deposit of certain minerals, which specifically include those of zinc and lead, is, if the mine commences commercial production before April, 1986, exempted from paying income tax and corporation profits tax for the first 20 years from the commencement of production.

These provisions have been the basic reasons why, amongst the many geologically attractive areas of the world, the Republic of Ireland has been chosen by your Directors as the site for the long-sustained and costly exploration programmes initiated in 1962 and enlarged in 1967. As previously mentioned, the cumulative expenditure for exploration in Ireland prior to

Ireland. The rate of treatment of ore at the Avoca Mine has reached its initially scheduled 2,000 tons per day and shipment of copper concentrates commenced in December, 1970.

Your Company, under agreements with Pinnacle Petroleum Limited, maintains its interests, varying from 4.5% to 10%, in 12 wells in Saskatchewan, Canada. These include nine producing wells in the Parkman area, two in the producing Benson Unit, and one dry well in the Benson Area. As a result of its contribution to the drilling costs of a dry hole in 1965, your Company earned a minority interest in 1,280 acres in the Cassils Area, Alberta, Canada.

Financial

Under the terms of an underwriting and agency agreement set out in a prospectus filed with the Ontario Securities Commission in October, 1970, and amending prospectus filed in November, 1970, your Company received \$984,264 by the sale of 417,480 shares in the period to December 31, 1970. Since that date a further 366,975 shares have been issued for \$1,870,378 cash.

The above-mentioned agreement superseded an earlier underwriting agreement made in 1969 and all unexercised options were cancelled on expiry date prior to the new agreement.

The strengthening of your Company's working capital by the proceeds from the sale of treasury shares allows your Directors and Management to move forward at an effective scale and pace on both the Navan orebody and the continuing Irish exploration programme.

Your Directors believe that, in view of the importance of the Navan ore deposit and having the undertaking of the Minister for Industry and Commerce, Dublin, that he will grant a State Mining Lease to Tara to cover its whole known extent, it now becomes desirable that the Company's shares should be qualified for trading on a leading stock exchange. Accordingly, documents are in preparation for an application for listing on the mining division of the Toronto Stock Exchange, Toronto, Canada.

Your Board of Directors has pleasure in putting on record its appreciation of the Company's geologists, staff, consultants and contractors in Ireland, whose team work has led to the Navan discovery and is continuing both in the enlargement of knowledge of the Navan deposit and in seeking further discovery.

On behalf of the Board of Directors,

Michael McCarthy,
President.

April 15, 1971

the Navan discovery amounted to approximately \$1.5 million.

It is in the light of continuation of those facilities and incentives that your Directors look forward to development of the Navan orebody and a further sustained exploration programme elsewhere in Ireland.

Your Directors acknowledge the evidence that there is scope for further substantial mineral discovery in Ireland and have provided for continued and sustained exploration on licence areas held in good standing or to be taken up under present and future application to the Minister for Industry and Commerce. The Directors realize that there is likely to be heavy expenditure and many years of work if another major discovery is to be achieved. Expectations of continuation of the "adequate facilities and attractive incentives" of stated Government policy is an absolutely essential pre-requisite for this long-term commitment of funds.

Other Corporate Activities and Interests

As shown on the appended map, your Company has a large number of prospecting licences in geologically favourable areas throughout the Republic of Ireland. The tempo of exploration work in the investigation of these licences, maintained throughout the past eight years, will be continued and expanded as events warrant.

Studies to determine the feasibility of constructing and operating an electrolytic zinc reduction plant in Ireland are being continued by Smelter Corporation of Ireland Limited in which your Company holds 30% of the presently issued capital. These studies now take into account the Navan deposit as a potential major source of zinc concentrates. No decision has as yet been made to proceed with financing arrangements for or construction of a zinc reduction plant.

Avoca Mines Canada Limited, in which your Company has 250,000 shares equal to an approximate 5% interest, has through its wholly owned subsidiary resumed operations at the Avoca, County Wicklow, copper mine with by-product pyrite in the Republic of

General Manager's Review of Exploration and Discovery in Ireland



MURROUGH V. OBRIEN
General Manager

Tara's exploration programme in Ireland during 1970 is dominated by the Navan discovery.

The finding of extensive zinc and lead sulphide mineralization there was the direct outcome of Tara's sustained exploration in Ireland which, in 1970, was in its ninth successive full year.

Since 1962, Tara's principal search has been for some or all of zinc, lead and copper in the kind of geological setting in which discovery has now been made. There is scope for further discovery of this kind if the pressure of prospecting is maintained with adequate skill and persistence.

This review, therefore, concerns itself first with Navan and then with the Irish prospecting of 1970 in general and the Company's continuing programme of exploration.

Prospecting Leading to Navan Discovery

Tara's prospecting in Ireland commenced in Galway in 1962 and spread principally in the west and south-west Midlands. As part of the expansion of the Com-

pany's activity, following the 1967 Budget offering extended tax relief to new mines, Tara applied for six licences in County Meath. The Company's programme was thereby widened further north-east across the Midland plain. The areas chosen were on the lower part of the carboniferous limestone and once again the target areas were zones of known or possible fracturing in which base metals might be found.

Following further applications in 1968-69 two further licences covering 27 square miles near Navan in County Meath, and having similar geology, were obtained and investigated by regional soil geochemistry.

A distinct zinc geochemical anomaly, more than 1,500 feet long, was detected near Navan and subjected to check geochemistry. Field search for mineral indications, which disclosed some float containing lead and zinc, was carried out by Michael Robinson who has been with Tara since 1964 and is its chief fieldman. Drilling was determined on and induced polarization used to assist in selecting the site for early holes.

The Navan Orebody

The first drillhole gave a 40 ft. intersection with 8.5 per cent zinc plus lead. Since then every hole has encountered significant zinc and lead mineralization. Seventeen boreholes were completed at Navan during 1970. But to give a fuller picture of the orebody the diagram accompanying this Review shows the first 65 drillholes and the table of analyses summarizes all

that have been published up to the date of preparation of the Review.

The holes have been put down at or close to 100 ft. spacing: most of the holes on the first three (eastern) lines were inclined to the north but all subsequent holes have been drilled vertically.

As is emphasized by both diagram and table, almost all the mineral has been encountered within 500 feet of surface, much of it at shallower depth.

Core recovery has been effectively complete in every drillhole. The BQ wireline equipment yielding cores of 1½ inches diameter. Independent surveys of borehole positions and assays of half-core have been obtained.

All the information is, therefore, being assembled on which the tonnage and average metal content can be calculated when the limits of the ore are reached.

The present position is that the final limits have not been met in any direction and mineralization is being traced by continuing drilling at 100 ft. spacing with four machines.

The mineral occupies a multitude of small fractures which occur preferentially in certain limestones and associated beds near the base of the folded Lower Carboniferous (Mississippian) strata. Content and distribution of mineral within these rocks is, therefore, variable, very high grades are attained over several tens of feet where the mineral has spread out from the fractures replacing virtually the entire rock.

The main mass of mineral, usually 100-200 feet thick, is tilted at first downwards to the west but then flattens at 250-400 feet depth in the western holes.

The metal content is well up to average in the furthest west and south-west holes for which cores have so far been analysed. To the north there is some weakening of metal values but it must be noted that even within the centre of the area so far drilled there are parts with weakening of metal values followed by a return to average or better values. To the east the ore is diminished, apparently because its upper part has been eroded. There is some geological evidence that the limestones which are the principal host to the ore may dip down to the eastward, so the resumption of ore in that direction cannot be precluded. To the south, there is faulting, stepping the ore downwards, as shown for instance by hole N25. The deeper south-going ore has also yet to be followed to its limits.

The zinc and lead minerals are clean sulphides with only the most superficial and slight evidence of oxidation.

It is clear that much more drilling must be done during 1971 before the full extent of this already large deposit is known.

Tara has, therefore, established in Navan a local organization in which Mr. Brian Byrne, geologist with the Company since 1963, is in charge of the prospect and responsible for drilling, core splitting and despatch of half-cores for analysis, while Mr. Dermod Downing, who has been with the Company as geologist since 1965, undertakes the detailed logging of rock types through the mineral zone and its surroundings.

General Irish Exploration Programme, 1970

Prospecting licences in Ireland each cover some 10 square miles and may be held singly or in groups, allowing room for thorough search under the wide-spread soil cover for favourable geological settings surmised to exist when the areas were selected. When favourable areas have been identified generally by geochemical or geophysical means but supplemented by such geology as is possible with the sparse outcrops, more detailed work is pursued on a concentrated part of the area. From these examinations are selected the areas most warranting diamond drilling, usually the only way of finding if there is mineral present in economic extent and quality.

At the beginning of the year Tara was the sole licensee for each of 125 prospecting licence areas. Jointly with others it held 16 further licences. During the year all these licences were maintained in good standing. They were supplemented by eight new licences taken up by Tara as sole licensee.

Therefore, at year end Tara was the sole holder of 133 prospecting licences which in aggregate cover 1,555 square miles and joint holder in a further 16 licences covering 178 square miles. Particulars of all of these are set out in a table appended and their locations shown on a map.

The prime exploration tool was, as in recent years, the sampling of soils and measurement by hot extraction methods of their ordinarily small contents of zinc, lead and copper. Where abnormal metal contents were found in the soil and confirmed or given precision by check and detailed sampling, follow-up was by geological studies and close prospecting by field-



Examining core of drill hole N5 at the Navan Property which contained a high grade intersection of 115 feet averaging 23.07% combined zinc plus lead, are, from left to right: Murrough V. O'Brien, General Manager; Brian Byrne, geologist in charge of the Navan property; Tom Donoghue, field man; and Michael Robinson, field supervisor of the Company's exploration program.

Tabulation of assays for individual drill holes (Nos. 1-71) on Navan Property of Tara Exploration and Development Company Limited, as reported to April 6, 1971.

Drillhole Number		Intersection		Length of Intersection	Lead %	Zinc %	Combined %
		From	To				
1	45°N	295	335	40 ft.	2.37	6.28	8.65
2	45°N	212	224	12 ft.	1.93	6.65	8.58
3	45°N	38	43	5 ft.	4.50	14.10	18.60
4	45°N	11	134	123 ft.	2.23	10.93	13.16
5	45°N	12	127	115 ft.	5.32	20.38	25.70
		232	265	33 ft.	1.23	7.01	8.24
		330	369	39 ft.	1.71	5.28	6.99
6	45°N	14	314	300 ft.	0.80	4.25	5.05
7	45°N	50	175	125 ft.	3.82	19.25	23.07
		283	323	40 ft.	1.21	4.14	5.35
		363	388	25 ft.	1.04	4.12	5.16
8	45°N	63	93	30 ft.	0.66	4.21	4.87
		93	183	90 ft.	1.57	9.23	10.80
9	45°N	326	356	30 ft.	1.69	5.35	7.04
10	45°N	30	238	208 ft.	0.61	2.50	3.11
11	48°N	314	348	34 ft.	1.56	6.06	7.62
12	45°N	49	304	255 ft.	1.66	7.43	9.09
13	45°N	12	65	53 ft.	2.03	5.81	7.84
14	V	79.5	367	287.5 ft.	2.16	10.79	12.95
15	45°N	21	246	225 ft.	0.73	6.36	7.09
16	68°N	346	406	60 ft.	1.04	5.80	6.84
17	V	77	324	247 ft.	1.21	7.13	8.34
18	V	322	362	40 ft.	0.63	4.64	5.27
19	45°N	15	210	195 ft.	1.68	8.59	10.27
20	V	100	265	165 ft.	0.45	4.53	4.98
21	V	36	221	185 ft.	0.80	3.94	4.74
22	45°N	74	344	270 ft.	3.20	14.07	17.27
23	41°N	23	170	147 ft.	1.00	6.53	7.53
24	V	85	240	155 ft.	1.15	7.36	8.51
25	V	72	227	155 ft.	2.98	12.73	15.71
		423	518	95 ft.	1.68	6.39	8.07
26	V	100	375	275 ft.	2.98	15.58	18.56
27	V	163	410	247 ft.	0.96	5.55	6.51
28	45°N	12	77	65 ft.	0.47	5.64	6.11
29	45°N	384	409	25 ft.	1.81	10.14	11.95
30	V	165	415	250 ft.	2.14	9.10	11.24
31	V	149	329	180 ft.	1.17	5.09	6.26
32	45°N	18	134	116 ft.	2.89	13.97	16.86
33	V	107	187	80 ft.	1.04	9.46	10.50
34	V	181	286	105 ft.	1.23	6.78	8.01
35	V	72	177	105 ft.	0.84	3.36	4.20
36	45°N	19	103	84 ft.	1.77	5.39	7.16
37	V	175	415	240 ft.	2.95	13.16	16.11
38	V	134	254	120 ft.	1.28	6.92	8.20
39	V	117	162	45 ft.	0.90	2.23	3.13
40	45°N	13	83	70 ft.	1.51	5.51	7.02
41	V	52	72	20 ft.	2.82	2.66	5.48
42	V	25	102	77 ft.	0.73	2.32	3.05
43	V	149	214	65 ft.	1.42	7.38	8.80
44	V	240	525	285 ft.	2.09	9.45	11.54
45	V	180	220	40 ft.	1.71	7.36	9.07
46	V	67	127	60 ft.	0.40	2.13	2.53
47	V	169	309	140 ft.	1.66	9.05	10.71
48	V	244	439	195 ft.	0.70	5.02	5.72
49	V	239	424	185 ft.	3.26	13.90	17.16
50	V	185	290	105 ft.	1.49	6.14	7.63
51	V	255	400	145 ft.	0.43	4.43	4.86
52	V	219	369	150 ft.	1.48	7.85	9.33
53	V	283	473	190 ft.	3.77	15.60	19.37
54	V	200	255	55 ft.	1.37	6.86	8.23
55	V	237	332	95 ft.	0.52	4.53	5.05
56	V	281	396	115 ft.	1.66	10.29	11.95
57	V	190	245	55 ft.	1.19	5.32	6.51
58	V	277	367	90 ft.	1.05	8.59	9.64
59	V	272	387	115 ft.	1.75	9.39	11.14
60	V	261	479	218 ft.	2.88	11.27	14.15
61	V	337	397	60 ft.	0.40	2.60	3.00
62	V	263	378	115 ft.	2.00	9.34	11.34
63	V	261	396	135 ft.	1.45	8.80	10.25
64	V	303	513	210 ft.	0.91	5.23	6.14
65	V	285	405	120 ft.	1.39	7.04	8.43
66	V	230	382	152 ft.	3.60	10.79	14.39
67	V	285	412	127 ft.	0.98	6.55	7.53
68	V	277	397	120 ft.	1.33	7.30	8.63
69	V	143	320	177 ft.	4.38	19.14	23.52
70	V	275	360	85 ft.	2.25	10.43	12.68
71	V	264	339	75 ft.	1.68	9.28	10.96

DRILL PLAN - NAVAN PROPERTY

Showing Drill Hole locations reported to April 6, 1971

Tara Exploration and Development Company Limited



NEW AND OUTSTANDING ISSUE

Tara Exploration and Development Company Limited

(Incorporated under the laws of the Province of Ontario)

1,210,000 Common Shares

(Par Value \$1.00 each)

The purpose of this issue is to provide the Company with sufficient funds to meet the cost of implementing the recommendations of its consulting engineers, as referred to under the caption "ENGINEER'S REPORT", and to provide funds for general corporate purposes. Reference is made to the headings "USE OF PROCEEDS", "IRISH INTERESTS", "OPTIONS TO PURCHASE SHARES" and "PLAN OF DISTRIBUTION".

The shares of the Company are traded on the Toronto over-the-counter market and at closing on October 2, 1970 were quoted at \$1.05 bid and \$1.15 asked.

THESE SECURITIES ARE SPECULATIVE

PRIMARY OFFERING OF TREASURY SHARES:

(a) Underwritten Shares:—20,000 shares

	<u>Price to Public</u>	<u>Underwriting Discount</u>	<u>Proceeds to Company*</u>
Per Share	\$1.00	\$0.20	\$0.80
Total	\$20,000	\$4,000	\$16,000

*Before deducting expenses payable by the Company estimated not to exceed \$6,000.

Hibernian Investments Limited, as principals, conditionally offer the above underwritten common shares subject to prior sale, if, as and when issued by the Company and accepted by it in accordance with the conditions contained in the underwriting and agency agreement referred to under the heading "Plan of Distribution" on page 3 hereof. Subscriptions will be received and subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books without notice. All sales of shares to the public will be made through Draper Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario and such other registered securities dealers as may be appointed by Hibernian Investments Limited as its agents, and any applicable commissions will be paid by Hibernian Investments Limited.

(b) Additional Treasury Shares—980,000

The Company, through its agent, Hibernian Investments Limited, and such other registered securities dealers as may be appointed as agents of Hibernian Investments Limited (of which Draper Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario is one) hereby offers an additional 980,000 shares at the market price prevailing from time to time, of which the Company shall receive not less than 70% of the gross proceeds received from the public. Hibernian Investments Limited will be paid commissions upon all additional shares sold of not more than 25% of the selling price thereof and up to 5% of such selling price may be used to pay expenses (other than the said commissions) relating to the offering and sale of such additional shares.

SECONDARY OFFERING—210,000 shares

Of the 1,210,000 common shares offered hereby, 210,000 common shares are being sold by the Underwriter and represent shares which have been taken down and paid for by the Underwriter but have not been distributed to the public. The Company will receive no part of the proceeds from the sale of these 210,000 shares and if all such shares are sold, the Underwriter will own 8,955 shares of the Company. Reference is made to the heading "Plan of Distribution".

HIBERNIAN INVESTMENTS LIMITED

Suite 2601 (P.O. Box 298), Royal Trust Tower
Toronto-Dominion Centre, Toronto, Ontario

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Plan of Distribution

By agreement dated the 23rd day of October, 1970, Hibernian Investments Limited ("Hibernian"), Suite 2601, Royal Trust Tower, Toronto-Dominion Centre, Toronto, as principal, has agreed to purchase 20,000 shares of Tara Exploration and Development Company Limited ("Tara") at a price of \$0.80 per share payable in cash within three business days of the effective date against delivery of certificates representing said shares; the effective date being the date upon which this Prospectus is accepted for filing by the Ontario Securities Commission. The obligation of Hibernian to purchase the 20,000 shares may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. Hibernian is, however, obligated to take up and pay for all of such 20,000 shares if any thereof are purchased under the agreement.

In addition, through Hibernian and such other registered securities brokers as may be appointed by Hibernian as its agents and provided that the 20,000 shares referred to above are purchased by Hibernian, Tara hereby offers for sale a further 980,000 unissued shares of its capital at a price equal to the market price prevailing from time to time. Hibernian will be paid commissions of not more than 25% of the actual selling price of any of such further 980,000 shares sold. Tara will receive at least 70% of such actual selling price for use as set forth under "Use of Proceeds" below and up to 5% of such actual selling price may be used to pay expenses (other than the said commissions) relating to the offering and sale of these further 980,000 shares. The agency arrangements between Hibernian and Tara are set forth in the agreement dated October 23, 1970 referred to above.

Pursuant to the provisions of an agreement dated the 29th day of May, 1969, Hibernian, as principal, purchased 400,000 shares of Tara at a price of \$1 per share for 200,000 shares and \$1.25 per share for 200,000 shares. The provisions of the said agreement provided that Hibernian would purchase 200,000 shares at the said price of \$1 per share and in consideration of so doing, Tara granted to Hibernian the exclusive right and option to purchase an additional 800,000 shares as follows: 200,000 at \$1.25 exercisable prior to November 11, 1969; 200,000 at \$1.50 exercisable prior to February 11, 1970; 200,000 at \$1.75 exercisable prior to May 11, 1970; and 200,000 at \$2.00 exercisable prior to August 11, 1970. Hibernian exercised the first of the said options in full, and elected not to exercise any part of the balance of the options. Of the 400,000 shares of Tara taken down under this agreement, 190,000 shares were distributed during the course of primary distribution to the public under a prospectus dated July 30, 1969, which ceased to be effective on or about June 3, 1970 at which date Hibernian still held the said 210,000 shares.

All of the shares of Tara offered hereunder by Hibernian and/or Tara will be offered for sale to the public by Draper Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario as agent for Hibernian and such other registered securities dealers as may be appointed by Hibernian as its agent.

There are no sub-underwriting or sub-option agreements.

Use of Proceeds

The estimated amount of net proceeds to be received by Tara from the sale of the 20,000 underwritten shares to Hibernian will be \$16,000 less the expenses of this offering estimated not to exceed \$6,000. Tara is unable to estimate the amount of net proceeds that may be received by Tara from the sale of the 980,000 additional treasury shares offered by Tara hereunder. Tara will receive no part of the proceeds from the sale of the 210,000 shares already held by Hibernian and offered hereunder.

Tara will use such proceeds, together with funds already in its treasury to continue implementation of the recommendations contained in the reports of Duncan R. Derry, Ph.D., P.Eng., which are referred to under the heading "Engineer's Report", to continue exploration and other mining work on its Irish holdings and to perform exploration work in Ireland and in Canada in accordance with the recommended budget contained in the said reports.

In accordance with Dr. Derry's recommended budget set forth under the heading "Engineer's Report", it is estimated that if fully implemented such work would cost approximately \$1,373,000 during the calendar years 1969 to 1973 inclusive. Tara has expended approximately \$358,000 of this amount during the seventeen month period between January 1, 1969 and May 31, 1970.

Any funds remaining after implementation of the said recommendations will be used by Tara as working capital.

The Company

Tara was incorporated pursuant to The Corporations Act of the Province of Ontario by letters patent dated March 18, 1953 with an authorized capital of \$3,000,000 divided into 3,000,000 shares with a par value of \$1.00 each. By supplementary letters patent dated July 6, 1964 the authorized capital of Tara was increased to \$6,000,000 divided into 6,000,000 shares of the par value of \$1.00 each of which 4,050,005 shares are presently issued and outstanding as fully paid and non-assessable. The address of the head office of Tara is Suite 2601, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario.

After its incorporation Tara carried out exploration and mining work in Canada pursuant to which it acquired several prospects, all of which were abandoned after further investigation. Since 1966 Tara has participated with Pinnacle Petroleum Limited and other companies in certain oil exploration in Western Canada, the interest of Tara varying from 4½% to 11%. These participations resulted in the drilling of a well in the Cassils area of Alberta which resulted in a dry hole; three wells in the Benson area of Saskatchewan, two of which are oil producers; and nine wells in the Parkman area of Saskatchewan, all of which are oil producers. Although these participations represent a relatively minor part of the operations of Tara, it is proposed to continue participations in oil exploration in Western Canada on a similar scale.

The major portion of Tara's operations during the last five years have been undertaken in Ireland where Tara holds interests in extensive areas of mining property. Reference is made to the heading "Irish Interests". Tara has not purchased within the last three years preceding the date hereof nor does it intend to purchase any property.

Irish Interests

(a) Prospecting Licenses

A prospecting license in the Republic of Ireland is granted to a named holder by the Minister of Industry and Commerce and gives the holder exclusive license and liberty to enter upon the lands specified in the license and there to do all such things as the holder considers necessary or desirable for the purpose of ascertaining the character, extent or value of minerals lying under the specified lands. Each license is given an official number and it is to these numbers that reference is made herein.

As at May 31, 1970, Tara held or had in the course of issue 125 licenses covering approximately 1437 square miles and had interests varying between 25% and 50% in 16 licenses covering approximately 178 square miles. Of these licenses, all of which are situate in the Republic of Ireland, 54 licenses have been flown by the Input system of Barringer Research Limited pursuant to the provisions of an agreement dated July 25, 1965 between that company, Tara and Wakanda Explorations Limited, whereby Wakanda Explorations Limited is entitled to receive a 2½% interest in respect of 6 licenses and a 5% interest in respect of the remaining 48 licenses. Particulars of the licenses held by Tara as at May 31, 1970 are set forth in the reports of Dr. Derry referred to under the heading "Engineer's Report". Each of the licenses is covered by public all-weather roads and no part of any license is more than two miles from such a road. No license is more than 25 miles from some part of the national railway system which connects to all of the country's major ports or is more than 60 miles from one of such ports. Most of the licenses are situate in reasonably flat farmland and accessibility from public roads is easily accomplished.

Each license is issued for a period of one year, renewals are allowed at the Minister's discretion for further periods of one year each and the holder has the right to make application for the granting of a lease of the property covered by the relevant license; such a lease is a negotiated document as to term, rental and conditions. There is no statutory limitation on the number of renewals of licenses permitted to a holder but the holder is normally required to submit to the Minister's satisfaction a report on work carried out in the year just completed and the proposed program of work to be carried out in the ensuing year. Formal notification of renewal is commonly not available until some months after the end of the then current year of the license.

(b) History of Previous Prospecting on Prospecting Licenses

The area covered by the prospecting licenses in which Tara has an interest is extensive and it is therefore impractical to give a detailed summary of the work carried out. To date Tara has not discovered a known body of commercial ore in the area and the proposed programme is an exploratory search for ore.

Certain of the license areas have had prior mining work performed thereon; substantial copper and lead-zinc mining has been carried out on the areas covered by licenses 405 and 758 respectively; in the 19th century small scale mining trials were carried out on 427 for lead and copper and on 605 for copper. License 415 is on the fringe of a redeveloping copper mining district and some exploratory tunnels have been driven therein. In addition parts of a further twenty-six license areas (497, 601 to 605, 626 to 628, 756 to 759, 763, 769, 775, 776, 1184, 1186, 1195, 1206, 1234, 1235, 1241, 1359 and 1382) were included in prospecting licenses granted to other companies between 1962 and 1967. These areas have been subjected to reconnaissance and some detailed prospecting carried out by these other companies. In addition areas 1189 to 1201 were covered by part of an airborne electromagnetic reconnaissance made in 1959.

Apart from the foregoing, the only significant exploration work performed in the areas has been (i) geological mapping and notations made by the Geological Survey of Ireland during 1845 to 1885, which maps and accompanying memoirs form part of the public records of the said Survey, and (ii) scattered geological, geochemical and geophysical work carried out by exploration companies between 1962 and 1968 which work was of a reconnaissance nature and the results of which do not form part of publicly available records.

Since acquisition of the various prospecting licenses Tara has conducted reconnaissance exploration, geological, geophysical and geochemical work in the areas covered thereby and in certain instances has performed detailed work. The detailed work includes the drilling of approximately 45 diamond drill holes on 14 licenses between December 31, 1968 and May 31, 1970. This diamond drilling was mainly for the purpose of testing some anomalies discovered by geophysical or geochemical work and can be considered partly as exploration or pattern drilling and partly as detailed drilling. The results thereof were of no economic significance.

(c) Avoca Project in County Wicklow, Ireland

Tara was a participant to the extent of 16 $\frac{2}{3}$ % in a proposal made by a group of companies to the Irish Government to investigate and, if justified, to proceed with the reactivation of old mines and outlying deposits at Avoca, in County Wicklow, Ireland, which proposal was accepted in 1966. The participants formed Avoca Mines Limited ("Avoca") to carry out this project and took down the issued shares of Avoca proportionately to their participation in the project. These old mines and deposits have a long history of mining through several successive periods in the last 200 years. In early 1969 Tara was required as part of its participation in this project to pay \$20,000 in order to maintain its position in Avoca. Subsequently Tara sold all of its shares in Avoca to Avoca Mines (Canada) Limited ("Avoca Canada") in consideration of 250,000 shares in the capital of Avoca Canada. Avoca Canada acquired all of the outstanding shares of Avoca and the project is being independently financed through Avoca Canada with a view to bringing a pyritic copper mine into production at a rate of 2,000 tons per day in 1971. Tara is not required to make further contributions to Avoca Canada in order to maintain its 250,000 shares thereof.

Avoca Canada is a public company the issued shares of which are widely distributed, but management of Tara understands that Discovery Mines Limited; Patino Mining Corporation; British Amalgamated Metal Investments Limited; Superior Oil Company; Gortdrum Mines Limited and Tara each owns more than 5% of the issued shares of Avoca Canada.

(d) Lenadele Syndicate

By agreement dated as of August 1, 1966, as amended by agreement dated as of August 1, 1968, Tara acquired an option from the Lenadele Syndicate, 159 Bay Street, Toronto, Ontario in respect of prospecting license number 586 covering a 9 square mile area in Counties Laois and Kilkenny, Ireland. The Lenadele Syndicate is a joint venture consisting of Ste. Adele Valley Enterprises Limited, Suite 4000, 2055 Peel Street, Montreal, Quebec as to 40%; Canadian Lencourt Mines Limited, 433 University Avenue, Toronto, Ontario as to 40%; and Watts, Griffis and McQuat Limited, Suite 911, 159 Bay Street, Toronto, Ontario as to 20%. The said agreement required Tara to reimburse the Lenadele Syndicate \$7,500 for moneys previously spent on the license area, and, prior to June 30, 1967 to have performed work to a value of not less than \$10,000 (including at least 1,200 feet of diamond drilling). After fulfilment of these commitments and until August 1, 1970, Tara may require the license to be renewed each year, in which

event Tara must perform sufficient assessment work to qualify the license, which is issued to the Lenadele Syndicate, for renewal at the end of such year. At any time prior to August 1, 1970, Tara may pay to the Lenadele Syndicate a further \$12,500 and form a public company to which the license would be transferred in consideration for the issue of vendors shares, 25% of which would be issued to the Lenadele Syndicate and the balance to Tara. If the said 25% does not equal 175,000 shares the Lenadele Syndicate would have the right to purchase, within 60 days after issuance of the vendors shares, sufficient shares to bring its holdings up to 175,000 shares in the aggregate. If Tara does not exercise its rights prior to August 1, 1970 the said agreement terminates and Tara loses all its rights thereunder.

To date Tara has performed geological mapping, stream sediment sampling, detailed soil sampling, induced polarization surveys and diamond drilling in this license area and the agreements with the Lenadele Syndicate are still in force. Dr. Derry has concluded that there are no grounds to warrant Tara making a cash payment under the agreement. Management agrees with this conclusion but is negotiating to extend the term of the agreement provided that no cash payment will be required.

(e) Smelter Corporation of Ireland Limited

Tara owns 2,040,000 shares in the capital of Smelter Corporation of Ireland ("S.C.I.") issued at a price of sixpence each for an aggregate subscription price of £51,000. S.C.I. in turn has reimbursed Tara \$132,000 for expenses incurred by Tara in connection with preliminary feasibility studies carried out prior to the incorporation of S.C.I., the benefit of which accrued to S.C.I.

S.C.I. is incorporated under the laws of the Republic of Ireland with an authorized capital of 12,000,000 ordinary shares of the par value of sixpence each, of which 6,800,000 have been subscribed for and allotted at par value. S.C.I. was formed for the purpose of, and is, investigating the feasibility of the construction and operation of a zinc-lead smelter in the Republic of Ireland and studies to this end are currently being carried out by S.C.I. In the event that S.C.I. requires further funds to complete such feasibility study, Tara would be required to subscribe for further shares of S.C.I. or face dilution of its present 30% shareholding interest in S.C.I. The amounts set forth in Dr. Derry's recommended budget (see "Engineer's Report") are not intended to permit Tara to maintain its present 30% interest if S.C.I. proceeds with the construction of a smelter, but merely to meet Tara's portion of expenses relating to said feasibility study. The results of the feasibility study will be considered by Tara when they are available after completion thereof.

In addition to Tara, Northgate Exploration Limited, Suite 2602, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario owns more than 5% of the issued shares of S.C.I.

Engineer's Report

Tara retained Dr. Duncan R. Derry to prepare a report upon the properties in Ireland. The report dated February 15, 1969 and containing information as at January 1, 1969 has been supplemented by a progress report dated July 1, 1970 and containing information as at May 31, 1970. A copy of such reports is on file with The Ontario Securities Commission, 555 Yonge Street, Toronto, Ontario. In addition to reporting upon the properties in Ireland in which Tara has an interest, the reports refer to certain other of Tara's operations. The original report recommended that a three-year minimum programme of work be undertaken by Tara primarily upon Tara's Irish holdings. However, the programme has been expanded to a 5 year programme and revised to give effect to changes in circumstances. This revised recommended programme which is set out in detail in the said reports would include:

1. reconnaissance and detailed geological, geochemical and geophysical exploration to be performed on a continuing basis on licenses in which Tara has an interest;
2. reconnaissance drilling in carbonate rocks in the search for lead-zinc deposits followed by detailed drilling in areas favourable for mineralization;
3. continued participation in Smelter Corporation of Ireland Limited project;
4. minority participation in oil and gas exploration in Canada and Ireland;
5. continued exploration and research work in Ireland and in Northern Ireland with a view to acquiring interests in new properties.

The following table sets forth the recommended budget for the five year period of 1969-1973 inclusive; the amounts expended by Tara during 1969 and during 1970 to May 31st; and the recommended budget for the balance of 1970 and for 1971:

Type of Activity	1969	1970 to May 31	Total to May 31/70	1970 Budget Jun 1-Dec 31	1971 Budget	1972 & 1973 Budget Balance	3½ yr. Budget Jun 1/70-Dec 31/73	5 year Budget 1969-1973
1. General Basic Exploration	\$117,000	\$ 36,000	\$153,000	\$114,000	\$114,000	\$214,000	\$ 442,000	\$ 595,000
2. Pattern Drilling	\$ 45,000	\$ 32,000	\$ 77,000	\$ 18,000	\$ 50,000	\$ 95,000	\$ 163,000	\$ 240,000
3. Detail Drilling	\$ 46,000	\$ 22,000	\$ 68,000	\$ 70,000	\$ 70,000	\$110,000	\$ 250,000	\$ 318,000
4. Avoca Mines Limited	\$ 20,000	—	\$ 20,000	—	—	—	nil	\$ 20,000
5. Lenadele Option	\$ 1,000	\$ 3,000	\$ 4,000	—	—	—	nil	\$ 4,000
6. Reconnaissance Ireland	\$ 12,000	\$ 4,000	\$ 16,000	\$ 6,000	\$ 10,000	\$ 18,000	\$ 34,000	\$ 50,000
7. Research	\$ 1,000	—	\$ 1,000	\$ 1,000	\$ 3,000	\$ 5,000	\$ 9,000	\$ 10,000
8. Exploration N. Ireland	\$ 3,000	\$ 1,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 16,000	\$ 20,000
9. Oil/gas Expl.-Canada	nil cost	nil cost	nil cost	nil cost	nil cost	\$ 6,000	\$ 6,000	\$ 6,000
10. Minority-part. Oil/gas-Ireland	\$ 1,000	\$ 1,000	\$ 2,000	\$ 4,000	\$ 4,000	\$ 10,000	\$ 18,000	\$ 20,000
11. Smelter Studies Ireland	\$ 5,000	\$ 2,000	\$ 7,000	\$ 9,000	\$ 10,000	\$ 14,000	\$ 33,000	\$ 40,000
12. Property Acquisition	\$ 4,000	\$ 2,000	\$ 6,000	\$ 4,000	\$ 15,000	\$ 25,000	\$ 44,000	\$ 50,000
TOTAL	\$255,000	\$103,000	\$358,000	\$230,000	\$280,000	\$505,000	\$1,015,000	\$1,373,000

Management of Tara agrees with the recommendations of Dr. Derry and with his recommended budget, has already commenced to implement such recommendations, and proposes to continue such implementation subject to the availability of funds (reference is made to the heading "Use of Proceeds").

Capitalization

Designation	Authorized	Outstanding as of Dec. 31/69 and as of the date of this Prospectus	To be Outstanding on Completion of this Financing
Capital Stock	6,000,000	4,050,005	5,050,005 (2)
Shares of \$1.00 par value each		(\$1,727,505) (1)	(3)

- (1) This figure gives effect to the aggregate discount (after deduction of premiums paid) of \$2,322,500 on issued shares, of which 750,000 shares were issued in March, 1953 to Mr. P. J. Hughes, a director of Tara, in consideration of the transfer to Tara of certain mining properties in which Tara no longer has an interest.
- (2) This figure includes the 980,000 additional treasury shares offered hereunder, but does not include the outstanding stock options referred to under the heading "Options to Purchase Shares".
- (3) If none of the 980,000 additional treasury shares offered hereunder are sold the value of the 4,070,005 shares outstanding would be \$1,743,505. As the price at which these 980,000 additional treasury shares will be sold is the market price of Tara shares prevailing at the time of such sale, no figure can be inserted for the value of the outstanding shares of Tara if this financing was completed.

Except for the 400,000 shares sold to Hibernian under the May 29, 1969 underwriting agreement (reference is made to the heading "Plan of Distribution") and except for 15,000 shares issued to Mr. M. V. O'Brien pursuant to the provisions of an option agreement dated March 2, 1964 (reference is made to the heading "Options to Purchase Shares"), no shares of Tara have been sold by Tara during the past twelve months and no securities other than shares have been sold by Tara to the date hereof, provided, however, that in September, 1970 an employee exercised a 1500 share option and paid for such shares, which have not yet been allotted or issued but are expected to be allotted and issued in November, 1970 (reference is made to the heading "Options to Purchase Shares").

Description of Shares

The capital of Tara consists of one class of shares only, namely 6,000,000 shares of par value of \$1.00 each. All shares of Tara rank equally as to entitlement to dividends and voting rights, each share carrying one vote at all meetings of shareholders of Tara. There are no agreements extant or proposed limiting the payment of dividends. There are no conversion, pre-emptive, liquidation or distribution rights or other special privileges or provisions whatsoever attaching to any of the shares in the capital of Tara. None of the presently issued and outstanding shares in the capital of Tara are subject to call, all having been issued as fully paid and non-assessable. None of the shares offered hereby will be subject to call or assessment of any kind.

Tara has paid no dividends to the date hereof.

Principal Holders of Shares

To the knowledge of the management of Tara there is no person or company who owns beneficially directly or indirectly, more than 10% of the outstanding shares of Tara.

As at October 2, 1970, the percentage of shares of Tara beneficially owned by the directors and senior officers were as follows:

<u>Designation of Class</u>	<u>Percentage of Class*</u>
Common	10.36%

*Calculated with reference to the 4,050,005 shares presently outstanding.

Auditors, Transfer Agent and Registrar

Tara's auditors are Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, Royal Trust Tower, P. O. Box 262, Toronto-Dominion Centre, Toronto, Ontario.

The Registrar and Transfer Agent of the shares of the capital of Tara is National Trust Company Limited, 21 King Street East, Toronto 1, Ontario.

Promoter

Hibernian Investments Limited may be regarded as having been the promoter of Tara in that it has underwritten shares in the capital of Tara, as follows:

<u>Year</u>	<u>Shares Underwritten</u>	<u>Price Per Share</u>	<u>Consideration Received by Tara</u>
1962	400,000	\$0.10	\$ 40,000
	200,000	0.125	25,000
	200,000	0.15	30,000
	200,000	0.175	35,000
1963	50,000	0.50	25,000
1964	400,000	0.30	120,000
	200,000	0.40	80,000
	150,000	0.50	75,000
1965	200,000	0.60	120,000
	200,000	0.70	140,000
	200,000	0.80	160,000
	200,000	1.05	210,000
	100,000	1.30	130,000
1969	200,000*	1.00	200,000
	<u>200,000*</u>	1.25	<u>250,000</u>
Total	3,100,000		\$1,640,000

*shares purchased by Hibernian pursuant to the provisions of the agreement dated May 29, 1969 of which an aggregate of 210,000 are offered hereby (reference is made to the heading "Plan of Distribution").

Hibernian received no consideration (other than the underwriting discount on the 400,000 shares purchased under the said agreement dated May 29, 1969) for the underwriting of the said shares of Tara. All of the issued and outstanding shares in the capital of Hibernian are beneficially owned by Mr. Michael McCarthy, President of Tara.

Directors and Officers

The names and home addresses of the directors and officers of Tara, the positions or offices that they presently hold and the principal occupations within the five preceding years are as follows:

<u>Name and position or office held</u>	<u>Home Address</u>	<u>Principal Occupation within 5 preceding years</u>
MICHAEL MCCARTHY, President and a director	Ballinasloe, County Galway, Ireland	President of Priority Drilling Limited, Toronto, Ontario and a director of Gortdrum Mines (Ireland) Limited, Dublin, Ireland.
SYLVESTER PATRICK BOLAND, Vice-President and a director	"Fareham", Silchester Road, Glenageary, County Dublin, Ireland	Secretary of Irish Base Metals Limited, Dublin, Ireland.
MURROGH VERE O BRIEN, Executive Vice-President, Manager and a director.	Woodtown Park, Rathfarnham, Dublin, Ireland.	Executive Vice-President and Manager of Tara.
JOSEPH VINCENT MCPARLAND, Secretary-Treasurer and a director	3 Sugar Island, Newry, Northern Ireland	Owner of a quarry in Newry, Northern Ireland and a director of Irish Base Metals Limited, Dublin, Ireland.
CHARLES CARVILL, Director	Well Road, Newry, Northern Ireland	Since January, 1966 Managing Director of C. C. Construction Limited, Lurgan, Northern Ireland and previously, President of Carvill Engineering Limited, Newry, Northern Ireland.
JAMES HANRATTY, Director	53 Dominic Street, Newry, Northern Ireland	Managing Director of Waldorf Bars Limited, Newry, Northern Ireland.
PATRICK JOSEPH HUGHES, Director	Tudor House, Oulton Road, Clontarf, Dublin 3, Ireland	Self-employed as a mining executive and an officer and/or director of Northgate Exploration Limited, Toronto, Ontario; Anglo United Development Corporation Limited, Toronto, Ontario and Dublin, Ireland; Gortdrum Mines Limited, Toronto, Ontario and Dublin, Ireland, and other companies.
MATTHEW GILROY, Vice-President	Gorse Hill, Baily, Howth, County Dublin, Ireland.	Vice-President and director of Northgate Exploration Limited, Toronto, Ontario.

During the last completed financial year ended December 31, 1969 Tara paid as direct remuneration to its directors and senior officers, \$33,293 in the aggregate. For the period from December 31, 1969 to June 30, 1970, Tara has paid, or there is payable by Tara, an aggregate of \$15,895 as direct remuneration to directors and senior officers. There is no plan or arrangement in existence whereby any director or senior officer would receive remuneration other than direct remuneration as hereinbefore referred to. In the financial year ended December 31, 1969 the estimated cost to Tara of all pension benefits proposed to be paid under the pension plan in which Tara participates in the event of retirement at normal retirement

age, directly or indirectly, to directors and senior officers is £979 (or \$2,525.82 at a conversion rate of \$2.58) in the aggregate.

Priority Drilling Company Limited, Suite 2601, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario, in which Messrs. McCarthy and Gilroy own more than 10% of the issued and outstanding shares, has carried out diamond drilling for Tara on various of the license areas. This diamond drilling was carried out on a contract basis at competitive prices and for the year ended December 31, 1969 amounted to \$49,608.98 in the aggregate.

Options to Purchase Shares

By Agreement dated as of March 2, 1964 Tara granted to Mr. M. V. O'Brien, its Executive Vice-President and General Manager, a non-assignable option to purchase up to 50,000 shares of Tara at a price of 30 cents per share. This option was exercised in its entirety but although all 50,000 shares were allotted to Mr. O'Brien, Tara could not issue 15,000 of these shares to him except with the prior consent of the Ontario Securities Commission. This consent was given and the 15,000 shares were issued to Mr. O'Brien in August, 1969.

On April 23, 1969, the Board of Directors of Tara approved an incentive stock option plan pursuant to which there has been granted, as of October 2, 1970 and are outstanding the following options to purchase shares in Tara:

<u>Name and Address of Optionee</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Effective Date of Option</u>	<u>Expiry Date of Option</u>	<u>Connection with Tara</u>
DEREK ROMER	3,000	\$0.54	June 10, 1970	April 30, 1971	Chief
29 St. Senan's Road,	2,250	\$0.54	May 1, 1971	April 30, 1972	Geologist
Ennis, Co. Clare, Ireland	2,250	\$0.54	May 1, 1972	April 30, 1973	
*DERMOD T. DOWNING	2,000	\$0.54	June 10, 1970	April 30, 1971	Geologist
Site 18, Lower Kilmacud Road,	1,500	\$0.54	May 1, 1971	April 30, 1972	
Dublin 14, Ireland	1,500	\$0.54	May 1, 1972	April 30, 1973	
BRIAN BYRNE	2,000	\$0.54	June 10, 1970	April 30, 1971	Geologist
24 Belgrave Road,	1,500	\$0.54	May 1, 1971	April 30, 1972	
Monkstown, Co. Dublin, Ireland	1,500	\$0.54	May 1, 1972	April 30, 1973	
*STUART F. BRAND	2,000	\$0.54	June 10, 1970	April 30, 1971	Geologist
65 Carrickbrack Estate,	1,500	\$0.54	May 1, 1971	April 30, 1972	
Sutton, Dublin, Ireland	1,500	\$0.54	May 1, 1972	April 30, 1973	
MICHAEL ROBINSON	1,500	\$0.54	June 10, 1970	April 30, 1971	Field
Carranduff, Newtowndaly,	1,000	\$0.54	May 1, 1971	April 30, 1972	Supervisor
Loughrea, Co. Galway, Ireland	1,000	\$0.54	May 1, 1972	April 30, 1973	
DENIS O'SULLIVAN	1,000	\$0.54	June 10, 1970	April 30, 1971	Draftsman
55 Kilbarrack Estate, Raheny,	500	\$0.54	May 1, 1971	April 30, 1972	
Dublin 5, Ireland	500	\$0.54	May 1, 1972	April 30, 1973	
MISS BRENDA KENNEDY	500	\$0.54	June 10, 1970	April 30, 1971	Draftsman
Rose Lodge, Balkill Road,	500	\$0.54	May 1, 1971	April 30, 1972	
Howth, Co. Dublin, Ireland					
MISS NUALA PARKER	500	\$0.54	June 10, 1970	April 30, 1971	Executive
212 Lower Kimmage Road,	500	\$0.54	May 1, 1971	April 30, 1972	Secretary
Dublin 6, Ireland					

*Options granted as of May 1, 1969 to Messrs. Downing and Brand outstanding as at June 10, 1970 were terminated simultaneously with the granting of these options. None of the said options were exercised.

On September 27, 1970 Mr. Brian Connor terminated his employment as a geologist with Tara. Prior to this termination Mr. Connor exercised an option to purchase 1500 shares of Tara at a price of 54 cents each. In accordance with the provisions of the incentive stock option plan further options outstanding in favour of Mr. Connor terminated when he left the employ of Tara.

On June 10, 1970, the closing bid and asked prices for shares of Tara were 55¢ and 65¢ respectively and the above 54¢ option price represents 90% of the average of the said bid and asked prices.

There are a further 16,500 shares which form part of the incentive stock option plan which may be granted by the board of Directors of Tara, to senior employees (including those named above) in full time employment with Tara and performing duties related to Tara's operations on the Irish license areas in which it holds an interest. Any option granted under the plan has a term of 12 calendar months commencing on its Effective Date, may only be exercised if at the time of exercise the optionee is an employee of Tara and no options can be granted with an expiry date after April 30, 1974. The option price is to be as determined by the Directors of Tara but cannot be less than 90% of the market value of the shares on the day on which the option is granted. Market value of the shares is defined to mean the average of the closing bid and asked prices for shares of Tara on the Unlisted Mines market in Toronto on the day on which the option is granted, or if there are no such prices on such day, the average of such prices on the closest preceding business day on which such prices are quoted.

Other than as set forth above, there are no outstanding options to purchase securities from Tara and none are presently proposed to be granted.

Legal Proceedings

By notice of reassessment dated August 4, 1967 for the 1965 taxation year (fiscal period ending April 30, 1965) the Canadian Minister of National Revenue increased Tara's income by the amount of \$119,733.88 representing the profit realized on the sale of 110,000 shares in Gortdrum Mines Limited and levied interest in the amount of \$4,526.78 in respect of such increase. By notice of reassessment dated August 4, 1967 for the 1966 taxation year (fiscal period ending April 30, 1966) the said Minister increased Tara's income by the amount of \$254,411.12 representing the profit realized on the sale of 70,000 shares in Gortdrum Mines Limited and levied interest in the amount of \$6,269.86 in respect of such increase. Tara has filed a Notice of Objection relating to both the said notices of reassessment and receipt thereof has been acknowledged on behalf of the said Minister. To date Tara has received no notification from the said Minister as to the vacating, confirmation or varying of either of the said notices of reassessment. On May 15, 1969 Tara filed in the Exchequer Court of Canada a Notice of Appeal relating to both of the notices of reassessment referred to above and the matter is expected to come before the Court in November, 1970.

Interest of Management in Material Transactions

Mr. Michael McCarthy, President and a director of Tara beneficially owns all of the issued and outstanding shares in the capital of Hibernian Investments Limited, the Underwriter hereunder, and also owns more than 10% of Priority Drilling Company Limited referred to under the heading "Directors and Officers". Mr. Matthew Gilroy, a Vice President of Tara, also owns more than 10% of Priority Drilling Company Limited.

Material Contracts

The following are the material contracts entered into within the two years prior to the date hereof by Tara. Copies of the said contracts will be available for inspection during business hours at the head office of Tara, Suite 2601, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario, during the period that the shares hereby offered are in the course of primary distribution.

1. Agreement made as of July 18, 1969 between The Superior Oil Company, Canadian Superior Oil Ltd., Gortdrum Mines Limited, Tara, The Patino Mining Corporation, British Tin Investment Corporation Limited, Discovery Mines Limited and Avoca Mines Canada Limited relating to the purchase of Avoca Mines Limited as referred to herein under the heading "Avoca Project".
2. Agreement dated as of August 1, 1968 between the Lenadele Syndicate and Tara which amends the agreement dated as of August 1, 1966 to extend the date by which Tara must exercise its rights thereunder from August 1, 1968 to August 1, 1970. Reference is made to the heading "Lenadele Syndicate".
3. Agreement dated May 29, 1969 between Hibernian and Tara. Reference is made to the heading "Plan of Distribution".

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act, 1966, (Ontario) provides, in effect, that where a security is offered to the public in the course of primary distribution, in certain events and subject to certain conditions:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the final prospectus or amended final prospectus offering such security is received or is deemed to be received by the purchaser or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, if the final prospectus and any amended final prospectus offering such security, as of the date of receipt, contains an untrue statement of a material fact or omits to state material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of ninety days from the later of the date of such contract or the date on which such final prospectus or amended final prospectus is received or is deemed to be received by the purchaser or his agent.

Reference is made to sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the above-mentioned rights are conferred.

AUDITORS' REPORT

To the Directors of
TARA EXPLORATION AND DEVELOPMENT COMPANY LIMITED

We have examined the balance sheet of Tara Exploration and Development Company Limited as at December 31, 1969 and the statements of exploration and administrative expenditures deferred, retained earnings and source and application of funds for the years ended April 30, 1965 and 1966, the period from May 1, 1966 to December 31, 1966 and the years ended December 31, 1967 to 1969. Our examination for the years ended December 31, 1967 to 1969, during which we were the auditors of the company, included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For prior periods we have relied upon the reports of predecessor auditors.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

Toronto, Canada
March 9, 1970

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

Tara Exploration and Development Company Limited
(Incorporated under the laws of Ontario)

Balance Sheets

Assets	August 31, 1970 (unaudited)	December 31, 1969
CURRENT ASSETS		
Cash, including term deposits.....	\$ 232,970	\$ 348,167
Accounts receivable.....	5,987	9,303
Prepaid expenses.....	3,370	
	<u>242,327</u>	<u>357,470</u>
INCOME TAXES		
Income taxes and interest paid on assessments under appeal (note 2)	<u>190,946</u>	<u>190,946</u>
SHARES IN AND ADVANCES TO OTHER COMPANIES, at cost (note 3).....	<u>284,603</u>	<u>284,603</u>
FIXED ASSETS IN IRELAND, at cost		
Motor vehicles, equipment, and office furniture.....	<u>36,161</u>	<u>35,527</u>
OTHER ASSETS AND DEFERRED CHARGES		
Prospecting licenses in Ireland, at cost (note 4).....	12,478	12,914
Exploration and administrative expenditures deferred.....	1,377,574	1,205,860
Interest in Irish prospecting syndicate, at cost.....	7,500	7,500
Organization expenses.....	3,885	3,885
	<u>1,401,437</u>	<u>1,230,159</u>
	<u><u>\$2,155,474</u></u>	<u><u>\$2,098,705</u></u>
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES		
Bank advances.....	\$ 29,959	
Accounts payable and accrued liabilities.....	<u>70,637</u>	<u>\$ 27,150</u>
	<u>100,596</u>	<u>27,150</u>
SHAREHOLDERS' EQUITY		
Capital stock (notes 5 and 6)		
Authorized—6,000,000 shares of \$1 each		
Issued —4,050,005 shares.....	4,050,005	4,050,005
Deduct discount less premium on shares.....	<u>2,322,500</u>	<u>2,322,500</u>
	1,727,505	1,727,505
Retained earnings.....	<u>327,373</u>	<u>344,050</u>
	<u>2,054,878</u>	<u>2,071,555</u>
	<u><u>\$2,155,474</u></u>	<u><u>\$2,098,705</u></u>

Approved by the Board

“JOSEPH V. McPARLAND”, Director

“MURROGH V. O BRIEN”, Director

Tara Exploration and Development Company Limited
Statements of Exploration and Administrative Expenditures Deferred

	Eight months ended August 31, 1970	Eight months ended August 31, 1969	Years ended			Period May 1, 1966 to December 31, 1966	Years ended	
	(unaudited)	(unaudited)	December 31, 1969	December 31, 1968	December 31, 1967		April 30, 1966	April 30, 1965
EXPLORATION								
Ireland								
Salaries and wages.....	\$ 17,485	\$ 20,979	\$ 27,630	\$ 32,269	\$ 33,542	\$ 24,490	\$ 55,890	
Aerial and field surveys.....						9,754	111,471	
General exploration	5,162	3,416	6,846	2,502	1,235	2,186		
Geological examinations.....	8,105	5,763	7,827	9,579	10,425	7,132		\$ 46,065
Geochemical examinations.....	34,021	39,362	57,813	28,196	81,786	56,338		
Geophysical examinations.....	917	18,623	25,237	45,893	66,658	24,544		
Assays.....							16,860	
Diamond drilling.....	111,720	57,962	70,269	54,272	19,970	43,383	70,799	
Field expenses and supplies.....							31,061	
Trenching and pitting.....	156	380	380		517	1,570		
Maps and drafting.....	5,277	4,865	7,918	7,506	9,423	4,798	5,455	
Travel and transportation.....	4,322	4,362	5,204	7,330	5,479	5,723	13,959	27,037
Buildings written off.....			8,534					
	187,165	155,712	217,658	187,547	229,035	179,918	305,495	73,102
Less recoveries from others not allocated to specific expenses..		234	1,872	12,976	10,714	2,661		
	187,165	155,478	215,786	174,571	218,321	177,257	305,495	73,102
Canada								
Oil participations.....	510	459	931	6,363	8,200	22,166	25,178	
General exploration.....						5,283		
	187,675	155,937	216,717	180,934	226,521	204,706	330,673	73,102
ADMINISTRATIVE								
General office, rent, telephone, post- age and supplies.....	4,567	8,552	12,862	15,153	20,798	18,795	16,874	8,366
Professional fees and expenses.....	2,959	5,099	13,385	15,563	14,490	5,532	6,750	500
Pension plan.....			2,546	2,056	2,100			
Travel.....	1,916	584	1,075	3,660	3,289	3,961		
Public relations.....		1,395	1,629					
Reports of consultants.....							2,731	
Shareholders' information.....	6,721	5,084	6,015	6,399	1,290	7,874	4,585	1,508
Share transfer expense.....	205	769	1,389	1,165	889	573	867	2,890
Insurance.....	158	2,268	4,120	2,531	2,856	1,909	1,540	
Bank charges, net.....	154	179	1,357	468	1,670	924	236	
Government fees and taxes.....	60	30	60	66	592		60	351
Loss on exchange, including loss on devaluation of sterling currency..				1,247	5,474			
	16,740	23,960	44,438	48,308	53,448	39,568	33,643	13,615
	204,415	179,897	261,155	229,242	279,969	244,274	364,316	86,717
DEDUCT								
Profit on exchange.....	96		1,227					
Interest earned.....	8,605	2,353	3,234	13,344	32,601	74,410	38,148	8,129
Share of net income from oil par- ticipations.....	8,610	10,145	13,986	17,322	17,008	3,210		
	17,311	12,498	18,447	30,666	49,609	77,620	38,148	8,129
Expenditures (net) for the period....	187,104	167,399	242,708	198,576	230,360	166,654	326,168	78,588
Balance deferred at beginning of period	1,205,860	1,095,152	1,095,152	896,576	666,216	499,562	173,394	94,806
DEDUCT								
Recovery of prior years' expenditures (note 3).....		132,000	132,000					
Write-off of deferred expenditures applicable to prospecting licenses surrendered.....	15,390							
	1,190,470	963,152	963,152	896,576	666,216	499,562	173,394	94,806
Balance deferred at end of period....	\$1,377,574	\$1,130,551	\$1,205,860	\$1,095,152	\$896,576	\$666,216	\$499,562	\$173,394

Tara Exploration and Development Company Limited
Statements of Retained Earnings

	Eight months ended August 31, 1970 (unaudited)	Eight months ended August 31, 1969 (unaudited)	Years ended			Period May 1, 1966 to December 31, 1966	Years ended	
			December 31, 1969	December 31, 1968	December 31, 1967	December 31, 1966	April 30, 1966	April 30, 1965
Retained earnings (deficit) at beginning of period.....	\$344,050	\$344,050	\$344,050	\$344,050	\$344,050	\$344,050	\$344,050	\$(44,446)
Gain on investments sold.....								104,667
Increase in book value of investment in shares of a mining company to amount equal to proceeds realized from their sale in the subsequent period.....								294,000
								<u>398,667</u>
Deduct								
Write-off of advances to a prospecting syndicate.....								10,171
Write-off of prospecting licenses surrendered and deferred expenditures applicable thereto	16,677							
Retained earnings at end of period....	<u>\$327,373</u>	<u>\$344,050</u>	<u>\$344,050</u>	<u>\$344,050</u>	<u>\$344,050</u>	<u>\$344,050</u>	<u>\$344,050</u>	<u>\$344,050</u>

Tara Exploration and Development Company Limited
Statements of Source and Application of Funds

	Eight months ended August 31, 1970 (unaudited)	Eight months ended August 31, 1969 (unaudited)	Years ended			Period May 1, 1966 to December 31, 1966	Years ended	
			December 31, 1969	December 31, 1968	December 31, 1967	December 31, 1966	April 30, 1966	April 30, 1965
SOURCE OF FUNDS								
Proceeds from sale of capital stock			\$454,500				\$ 134,500	\$ 686,000
Proceeds from sale of investments.								398,667
Recovery of prior years' expenditures (note 3).....		\$ 132,000	132,000					
	Nil	132,000	586,500	Nil	Nil	Nil	134,500	1,084,667
APPLICATION OF FUNDS								
Exploration and administrative expenditures (net).....	\$187,104	167,399	242,708	\$198,576	\$230,360	\$166,654	326,168	78,588
Less write-off of buildings not requiring a current outlay of funds			8,534					
	187,104	167,399	234,174	198,576	230,360	166,654	326,168	78,588
Additions to fixed assets.....	634	1,445	1,822	11,775	2,550	2,794	11,941	717
Prospecting licenses.....	851		240	3,856	3,568	3,771	1,009	
Purchase of shares in and advances to other companies (note 3)....		148,366	148,366	54,237	13,000	69,000		
Income tax and interest paid on assessments under appeal.....					190,946			
Participation in exploration syndicate.....						7,500		
Advances to prospecting syndicate.								2,921
	<u>188,589</u>	<u>317,210</u>	<u>384,602</u>	<u>268,444</u>	<u>440,424</u>	<u>249,719</u>	<u>339,118</u>	<u>82,226</u>
Increase (decrease) in working capital position.....	(188,589)	(185,210)	201,898	(268,444)	(440,424)	(249,719)	(204,618)	1,002,441
Working capital at beginning of period.....	330,320	128,422	128,422	396,866	837,290	1,087,009	1,291,627	289,186
Working capital (deficiency) at end of period.....	<u>\$141,731</u>	<u>\$(56,788)</u>	<u>\$330,320</u>	<u>\$128,422</u>	<u>\$396,866</u>	<u>\$837,290</u>	<u>\$1,087,009</u>	<u>\$1,291,627</u>

Tara Exploration and Development Company Limited

Notes to Financial Statements

1. CURRENCY CONVERSION:

Current assets and liabilities held in Ireland are converted to Canadian dollars at August 31, 1970 and December 31, 1969 at the approximate rates of exchange prevailing at those dates. Other assets and deferred charges, including exploration and administrative expenditures, are converted at the approximate rates prevailing when the expenditures were incurred.

2. INCOME TAXES:

Income taxes have been assessed with respect to gains on sales of investments realized in 1965 and 1966 and have been paid in 1967 with interest, in the total amount of \$190,946. The amount paid is shown in the balance sheet as an asset as the company has denied liability for such taxes and appeals have been entered against the assessments.

3. SHARES IN OTHER COMPANIES:

Shares in Smelter Corporation of Ireland Limited.....	\$131,566
Shares in Avoca Mines Canada Limited.....	153,037
	<u>\$284,603</u>

During 1969, 2,040,000 shares (30% interest) of Smelter Corporation of Ireland Limited were issued to the company for £51,000. Smelter Corporation has reimbursed the company for expenses totalling \$132,000 incurred in connection with preliminary feasibility studies relating to the establishment of a smelter in Ireland.

The quoted market value of the shares of Avoca Mines Canada Limited amounted to \$275,000 at August 31, 1970 and \$320,000 at December 31, 1969. There is no quoted market value for shares of Smelter Corporation of Ireland Limited.

4. PROSPECTING LICENCES:

Under an agreement for an air borne geophysical survey, the survey company is entitled to receive a portion varying from 2½% to 5% of the consideration received from any new company formed to acquire and develop mineral deposits found as a result of the survey.

5. CAPITAL STOCK:

(a) 1969 Underwriting

During 1969 the company issued 400,000 shares of its capital stock for \$450,000 cash pursuant to an underwriting agreement. In accordance with this agreement options were outstanding at December 31, 1969 on a further 600,000 shares at \$1.50 to \$2.00 per share and expiring at various dates in 1970. None of these options were exercised and all of them have either expired or been terminated.

(b) 1970 Offering

Subsequent to August 31, 1970 and subject to the filing of a prospectus with the Ontario Securities Commission, the company has agreed to issue 20,000 shares of its capital stock for \$16,000 cash payable three days after the company's prospectus has been accepted for filing by the Ontario Securities Commission, the offering date, and has agreed to offer through its agent, an additional 980,000 shares at the market price prevailing from time to time, of which the company shall receive not less than 70% of the gross proceeds received from the public.

6. EMPLOYEES' STOCK OPTIONS:

During 1969, 15,000 shares were issued at 30¢ per share pursuant to an option granted to an employee in a prior year.

The company approved an employees' stock option plan during 1969 whereby 50,000 shares were set aside for future purchase.

At December 31, 1969 options were outstanding on 12,500 shares at \$1.00 per share under this plan. During the eight months ended August 31, 1970 options on 6,500 of these shares lapsed and the options on the remaining 6,000 shares were terminated by agreement between the company and the optionees.

On June 10, 1970 the company granted further options on 33,500 shares at a price of 54¢ per share (being 90% of the market value of the shares on the date the options were granted), exercisable as follows:

<u>Number of shares</u>	<u>Exercisable</u>
14,000	June 10, 1970 to April 30, 1971
10,250	May 1, 1971 to April 30, 1972
9,250	May 1, 1972 to April 30, 1973
<u>33,500</u>	

Subsequent to August 31, 1970, of the options granted on June 10, 1970, an option on 1500 shares was exercised and options on a further 2,000 shares were terminated.

OTHER MATERIAL FACTS

There are no other material facts.

Dated the 23rd day of October, 1970.

Certificates

We, the undersigned, hereby certify that the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

"MICHAEL MCCARTHY"
Chief Executive Officer

"JOSEPH V. MCPARLAND"
Chief Financial Officer

On behalf of the Board of Directors

"MURROGH V. O BRIEN"
Director

"S. P. BOLAND"
Director

Promoter

Hibernian Investments Limited

Per

"MICHAEL MCCARTHY"

Underwriter

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 and the regulations thereunder.

Hibernian Investments Limited

Per

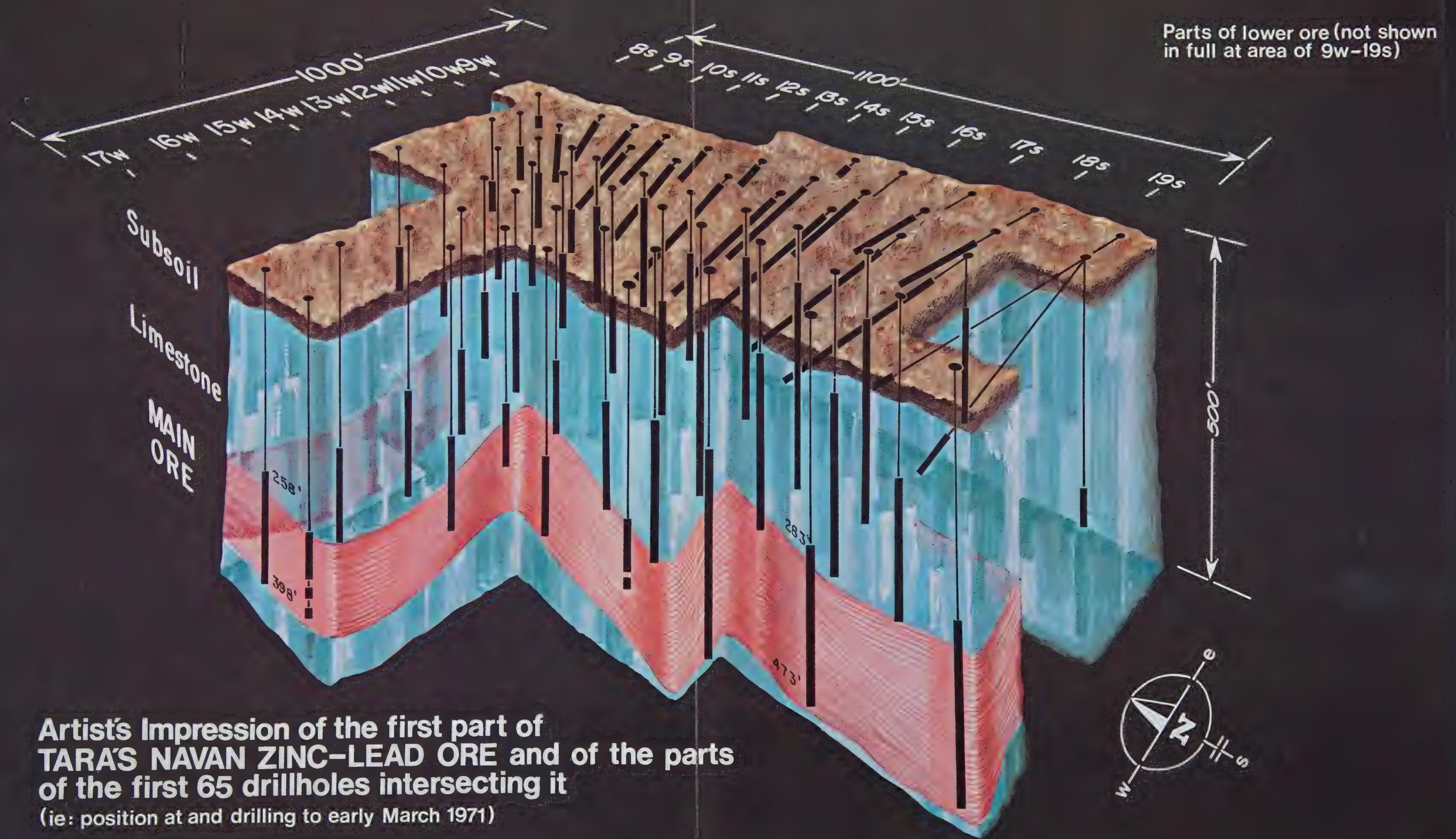
"MICHAEL MCCARTHY"

The following includes the names of all persons having an interest, directly or indirectly to the extent of not less than 5% of the capital of Hibernian Investments Limited: Michael McCarthy.



Above: Mobile diamond drill at Navan Property of Tara Exploration and Development Company Limited. Four machines using BQ wireline equipment are being employed in the current drilling program where 80 holes have been put down in a systematic pattern of approximate 100 foot spacing.

Left: Pat Hogg, field man at the Navan Property, examining high grade drill core sample. One of the features of the Navan drilling is the presence in some holes of very high grade over extensive core lengths. A prime example is in a recent hole, N69, which assayed 23.52% combined zinc plus lead over a continuous core length of 177 feet.





The growth of
Tara's Irish prospecting
and location of licences
at Dec. 31, 1970

Tabulation of Prospecting Licences Held by Tara Exploration and Development Company Limited at December 31, 1970 (including 16 licences jointly held with other companies).

Licence No.	County	Approx. Area (Sq. Miles)	Licence No.	County	Approx. Area (Sq. Miles)
2	Galway	4	1182-1201	Wexford	219
15, 16	Galway	14	1202	Cork	13
18, 22, 23	Galway	39	1203-1207	Mayo	56
(a) 405	Waterford	12	1208-1211	Kildare	40
(b) 415	Wicklow	11	(a) 1220-1225	Waterford	61
427	Limerick/Tipperary	11	(e) 1234	Tipperary	16
449, 450	Limerick	23	(c) 1235	Galway	7
465, 466	Tipperary	16	1241	Galway	13
(c) 497	Galway	10	1358	Longford	17
(d) 504	Waterford	12	1359	Limerick	12
(a) 532	Waterford	12	1380	Meath	16
546, 547	Mayo	24	1381	Westmeath	4
601-614	Offaly/Tipperary	171	1382	Galway	10
615-617	Laois	40	1404-1406	Westmeath	36
618	Offaly	12	1484-1486	Mayo	45
619-622	Westmeath/Longford	45	1487, 1488	Limerick	20
623-625	Offaly/Westmeath	35	1489	Meath	11
626-628	Tipperary	34	1499	Meath	27
629, 630	Clare	27	1500	Meath	15
728	Tipperary	4	(a) 50% interest, held jointly with Anglo United Development Corporation Limited. (b) 25% interest, held jointly with Gortdrum Mines Limited, Irish Base Metals Limited (Northgate Exploration Limited subsidiary) and Anglo United. (c) 50% interest, held jointly with Irish Base Metals. (d) 33⅓% interest, held jointly with Irish Base Metals and Anglo United. (e) 50% interest, held jointly with Gortdrum Mines Limited.		
729-731	Mayo	34			
(a) 735-736	Waterford	25			
754	Laois	14			
755-759	Sligo	65			
763-770	Galway	101	For the parts of areas flown by the Barringer Input system under an Agreement between the Company, Barringer Research Limited and Wakanda Explorations Limited, the latter shall be entitled to receive 2½% (in respect of Licences 18, 22, 23, 729-731), and 5% (601-630, 755-759, 763-770, 773-777) of the vendor consideration in any new company which may be formed to develop economic mineral deposits found as a result of survey in the areas selected for airborne study.		
773	Offaly	3			
774	Offaly/Tipperary	11			
775	Tipperary	16			
776 (inc. 925)	Tipperary	16			
777	Tipperary/Limerick	10			
778	Limerick	12			
786, 787	Limerick	17			
922	Limerick	15			
923	Limerick	14			
924	Longford/Westmeath	15			
925	(Merged with 776)				
(a) 926	Waterford	12			
1168, 1169	Monaghan	25			
1170-1174	Meath	51			
1175, 1176	Roscommon	19			
1177, 1178	Meath/Offaly	18			
1179-1181	Westmeath	46			

men seeking any direct or indirect confirmation of mineral such as float, the rusty stain of gossan or altered rocks.

With further follow-up by induced polarization or other appropriate geophysical method, twelve areas were selected for drilling. On areas other than Navan 7,858 feet of drilling were carried out, distributed as follows:

Licence	2	3	Holes	Totalling	712 Feet
"	465	2	"	"	877 "
"	604	1	"	"	457 "
"	728	1	"	"	501 "
"	736	2	"	"	525 "
"	763	3	"	"	2,003 "
"	777	1	"	"	545 "
"	787	1	"	"	456 "
"	1234	1	"	"	497 "
"	1382	1	"	"	436 "

The two holes drilled on licence 736, which is held by Tara (50 per cent) jointly with Anglo United Development Corporation Limited, showed small amounts of lead and zinc minerals. In certain of the other bore-holes trace amounts of base metal or associated minerals were encountered.

Two holes, totalling 360 feet, were also drilled on prospecting licence 586 held under option from Lenadele Syndicate but the source of the previously recorded strong zinc geochemical anomalies has not yet been traced. Extension of the option from Lenadele Syndicate to August 1, 1972 was obtained without cost to Tara.

Tara's Further Exploration Programme

Mineral deposits sometimes occur in families. Members of one family may be closely grouped or scattered over a few hundred miles. But within each family there are certain recognizable common features. If the presence of a family of mineral deposits is established, the features of known deposits may provide some guides by which hitherto unknown members of the family may be located.

In Ireland there is now no doubt that the base metal deposits in limestones and related rocks do constitute a family. Tynagh (Irish Base Metals Limited), Gortdrum (Gortdrum Mines (Ireland) Limited, also a Northgate subsidiary) and Silvermines (Mogul of Ireland)

were the first large members of the family identified. Navan, despite some separate characteristics, is undoubtedly a member of the same family.

There is now a high degree of likelihood that further members of the family must lie concealed and awaiting discovery. They are likely to be more concealed by soil, peat, water or rock than was Navan, with only some 10 feet of subsoil hiding it. Therefore, these other deposits will call for even more diligent search and use of even more elaborate scientific aids.

The places in which they must be sought for are, in Tara's opinion, those parts of the Lower Carboniferous rock which are likely to be broken by fractures of a certain character. Since 1962, Tara has directed its principal efforts to searching just such geological areas and, therefore, over 100 of the prospecting licences which it currently holds are on geology with those attributes.

The company, therefore, considers that it is in a particularly good position to carry forward such search, having on the one hand prospecting licences in good standing on favourable geology and on the other hand an experienced and enthusiastic staff with geologists and fieldmen who have already accumulated much information about those particular areas. Even looking back on the 8½ years and the \$1.5 million expenditure required to arrive at Navan, Tara's team, under its chief geologist, Mr. Derek Romer, is convinced by that experience that further search could well be rewarding though there is, of course, no guarantee as to its outcome.

This group of geologists and fieldmen, backed by their consultants, will of course be available to apply their skills to other types of exploration targets which may from time to time appear attractive. For example, an important secondary interest lies in the possibilities of pyritic copper or other base metals among the Ordovician volcanics of the south-east and it is anticipated that further progress can be made in the long study of those complex rocks.

Tara's prime target for exploration in Ireland remains the fractured Lower Carboniferous limestones with their excellent record of harbouring economic metal-bearing ores.

April 15, 1971

MURROGH V. OBRIEN

Financial
Statements

1970

TARA / EXPLORATION AND DEVELOPMENT COMPANY
LIMITED



Balance Sheet

Auditors' Report

Statement of Exploration and
Administration Expenditures Deferred

Statement of Retained Earnings

Statement of Source and
Application of Funds

Notes to Financial Statements

TARA / EXPLORATION AND DEVELOPMENT COMPANY

LIMITED

BALANCE SHEET — DECEMBER 31, 1970

(with comparative figures at December 31, 1969)

ASSETS

Current Assets

Cash, including term deposits

Accounts receivable

Prepaid expenses

Income Taxes

Income taxes and interest paid on assessments under appeal (note 2)

Shares In and Advances to Other Companies,

at cost (note 3)

Fixed Assets in Ireland, at cost

Motor vehicles, equipment and office furniture

Other Assets and Deferred Charges

Prospecting licences in Ireland, at cost (notes 4 and 5)

Exploration and administrative expenditures deferred

Interest in Irish prospecting syndicate, at cost

Organization expenses

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities

Shareholders' Equity

Capital stock (notes 6 and 7)

Authorized — 6,000,000 shares of \$1 each

Issued — 4,481,485 shares (1969 — 4,050,005 shares)

Deduct discount less premium on shares

Retained earnings

Approved by the Board

M. McCARTHY, Director

J. V. McPARLAND, Director

1970

Incorporated under the laws of Ontario)

AUDITORS' REPORT

To the Shareholders of
Tara Exploration and Development Company Limited

We have examined the balance sheet of Tara Exploration and Development Company Limited as at December 31, 1970 and the statements of exploration and administrative expenditures deferred, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants

Toronto, Canada
April 7, 1971

1970	1969
\$1,014,629	\$ 348,167
21,089	9,303
4,020	
<u>1,039,738</u>	<u>357,470</u>
190,946	190,946
<u>334,754</u>	<u>284,603</u>
36,953	35,527
12,270	12,914
1,516,761	1,205,860
7,500	7,500
	3,885
<u>1,536,531</u>	<u>1,230,159</u>
<u>\$3,138,922</u>	<u>\$2,098,705</u>

\$ 119,502	\$ 27,150
4,481,485	4,050,005
1,762,156	2,322,500
2,719,329	1,727,505
300,091	344,050
<u>3,019,420</u>	<u>2,071,555</u>
<u>\$3,138,922</u>	<u>\$2,098,705</u>

Statement of Exploration and Administration Expenditures Deferred

YEAR ENDED DECEMBER 31, 1970
(with comparative figures for 1969)

Exploration	1970	1969
IRELAND		
Salaries and wages	\$ 22,965	\$ 27,630
General exploration	14,902	6,846
Geological examinations	15,088	7,827
Geochemical examinations	52,256	57,813
Geophysical examinations	5,696	25,237
Diamond drilling	185,643	70,269
Maps and drafting	8,202	7,918
Travel and transportation	6,643	5,204
Trenching and pitting	164	380
Buildings written off		8,534
	<u>311,559</u>	<u>217,658</u>
Less recoveries from others not allocated to specific expenses		1,872
	<u>311,559</u>	<u>215,786</u>
CANADA		
Oil participations	1,164	931
	<u>312,723</u>	<u>216,717</u>
Administrative		
General office, rent, telephone, postage and supplies	13,706	12,862
Professional fees and expenses	29,435	13,385
Pension plan	1,120	2,546
Travel	7,078	1,075
Shareholders' information and public relations	11,855	7,644
Share transfer expense	1,706	1,389
Insurance	2,619	4,120
Bank charges	318	1,357
Government fees and taxes	90	60
	<u>67,927</u>	<u>44,438</u>
	<u>380,650</u>	<u>261,155</u>
Deduct		
Interest earned, less Irish income tax	15,156	3,234
Share of net income from oil participations	15,965	13,986
Adjustment on currency conversion		1,227
	<u>31,121</u>	<u>18,447</u>
Expenditures (net) for the year	349,529	242,708
Balance deferred at beginning of year	1,205,860	1,095,152
Deduct		
Write-off of deferred expenditures applicable to prospecting licences surrendered	38,628	
Recovery of prior years' expenditures (note 3)		132,000
	<u>1,167,232</u>	<u>963,152</u>
Balance deferred at end of year	<u>\$1,516,761</u>	<u>\$1,205,860</u>

Statement of Retained Earnings

YEAR ENDED DECEMBER 31, 1970
(with comparative figures for 1969)

	1970	1969
Balance at beginning of year	\$ 344,050	\$ 344,050
Less amounts written off		
Cost of licences surrendered and deferred exploration and administrative expenditures applicable thereto	40,074	
Organization expenses	3,885	
	43,959	
Balance at end of year	\$ 300,091	\$ 344,050

Statement of Source and Application of Funds

YEAR ENDED DECEMBER 31, 1970
(with comparative figures for 1969)

Source of funds	1970	1969
Issue of shares (notes 6 and 7)	\$ 991,824	\$ 454,500
Recovery of prior years' expenditures		132,000
	991,824	586,500
 Application of funds		
Exploration and administrative expenditures (net)	349,529	242,708
Less write-off of buildings not requiring a current outlay of funds		8,534
	349,529	234,174
Purchase of shares in and advances to other companies	50,151	148,366
Additions to motor vehicles, equipment and office furniture	1,426	1,822
Prospecting licences	802	240
	401,908	384,602
Increase in working capital	589,916	201,898
Working capital at beginning of year	330,320	128,422
Working capital at end of year	\$ 920,236	\$ 330,320

Notes to Financial Statements

DECEMBER 31, 1970

1. Currency Conversion

Current assets and liabilities held in Ireland are converted to Canadian dollars at December 31, 1970 and December 31, 1969 at the approximate rates of exchange prevailing at those dates. Other assets and deferred charges, including exploration and administrative expenditures, are converted at

the approximate rates prevailing when the expenditures were incurred.

2. Income Taxes

The company has been successful in its appeal to the Exchequer Court of Canada against income taxes assessed with respect to gains on sales of



investments realized in prior periods. However, the Minister of National Revenue has appealed the decision.

3. Shares In and Advances to Other Companies

	1970	1969
2,040,000 shares in Smelter Corporation of Ireland Limited (30% interest)	\$ 131,566	\$ 131,566
250,000 shares in Avoca Mines Canada Limited	153,037	153,037
	284,603	284,603
Advances to Smelter Corporation of Ireland Limited ..	50,151	
	<u>\$ 334,754</u>	<u>\$ 284,603</u>

During 1969, 2,040,000 shares of Smelter Corporation of Ireland Limited were issued to the company for £51,000. Smelter Corporation reimbursed the company for expenses totalling \$132,000 incurred in connection with preliminary feasibility studies relating to the establishment of a smelter in Ireland.

The quoted market value of the 250,000 shares in Avoca Mines Canada Limited amounted to \$177,500 at December 31, 1970 and \$320,000 at December 31, 1969. There is no quoted market value for shares of Smelter Corporation of Ireland Limited.

4. Prospecting Licences

Under an agreement for an airborne geophysical survey, the survey company is entitled to receive a portion varying from 2½% to 5% of the consideration received from any new company formed to acquire and develop mineral deposits found as a result of the survey. Neither the orebody in Navan, Ireland, nor the prospecting licence area in which the orebody lies is affected by the agreement.

5. Navan Orebody

The Navan orebody is located in lands defined in each of:

- A valid and exclusive prospecting licence issued to the company by the Minister for Industry and Commerce for Ireland.
- A Minerals Acquisition Order made on March 15, 1971 by the Minister under the Minerals Development Act, whereby all minerals, not previously vested in the State, are vested in the Minister.
- A written undertaking by the Minister on April 1, 1971 that, upon fulfilling the usual conditions, a State Mining Lease will be issued to Tara.

On March 29, 1971 three plaintiffs issued a plenary summons against the Minister seeking a declaration that the Minerals Acquisition Order was invalid and of no effect insofar as it purported to acquire the minerals under lands belonging to the plaintiffs.

While the company is not a party to this action, it has nevertheless taken legal advice and is advised by counsel that the order is valid.

6. Capital Stock Underwriting

(a) 1970 Offering

During 1970 the company issued 417,480 shares for \$984,264 cash and has agreed to offer an additional 582,520 shares at the market price prevailing from time to time, of which the company shall receive not less than 70% of the gross proceeds received from the public. Pursuant to this agreement and subsequent to the date of the balance sheet, a further 366,975 shares have been issued for \$1,870,378 cash.

(b) 1969 Underwriting

During 1969 the company issued 400,000 shares for \$450,000 cash pursuant to an underwriting agreement. In accordance with this agreement options were outstanding at December 31, 1969 on a further 600,000 shares at \$1.50 to \$2.00 per share and expiring on various dates in 1970. None of these options were exercised and all of them have either expired or been terminated.

7. Employees' Stock Options

(a) Present stock option plan

The company approved an employee's stock option plan during 1969 whereby 50,000 shares were set aside for future purchase. Options on 12,500 shares at \$1.00 per share were granted in 1969 and either lapsed or were terminated in 1970. During 1970 further options were granted on 33,500 shares at 54¢ per share (being 90% of the market value of the shares on the date the options were granted). Subsequently in 1970, options were exercised on 14,000 shares, terminated on 2,000 shares and at December 31, 1970 options were outstanding as follows:

Number of shares	Exercisable
9,250	May 1, 1971 to April 30, 1972
8,250	May 1, 1972 to April 30, 1973
<u>17,500</u>	

(b) Prior employee's stock option

During 1969, 15,000 shares were issued at 30¢ per share pursuant to an option granted to an employee in a prior year.

8. Remuneration of Directors and Senior Officers

Direct remuneration of the company's directors and senior officers (as defined by The Business Corporations Act, 1970) amounts to \$34,010 for the year ended December 31, 1970 (1969 — \$33,293).

